GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2158
ANSWERED ON:12.12.2008
FINANCIAL INCLUSION PROCEDURES OF BANKS
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Will the Minister of FINANCE be pleased to state:

(a) whether the Public Sector Banks have completed the financial inclusion procedures; and

(b) if so, the details thereof, region/zone-wise?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE(SHRI PAWAN KUMAR BANSAL)

(a) & (b) : The Reserve Bank of India has advised the State Level Bankers Committees (SLBC) to identify suitable districts for 100% financial inclusion as well as to allocate villages to various banks. The SLBCs have also been advised to monitor the progress in this regard. So far, 342 districts in the country have been identified for 100% financial inclusion and out of this, SLBCs have reported that 155 districts have already achieved 100% financial inclusion. The region-wise particulars in this regard are annexed.

Besides, the Government has also initiated a number of steps towards financial inclusion:

As announced in the Budget 2008-09, the Scheduled Commercial Banks and Regional Rural Banks have been directed to achieve the target of adding 250 household accounts every year at each of their rural and semi-urban branches.

Banks have been instructed to achieve financial outreach through provision of a General Credit Card to households, to open "No Frills" accounts with limited overdraft facilities, to extend financial outreach by utilizing services of Civil Society Organisation like Farmers Clubs, Non Governmental Organisations (NGOs), Post Offices as Business Facilitator/Business Correspondent Model, etc.

The Government has advised all the Public Sector Banks to earmark at least 3% of their target for agriculture credit in 2008-09 for giving loans under the debt swap scheme.